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## Isabel Maxwell: Israel's "Back Door" Into Silicon Valley

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*By moving in "the same circles as her father" and vowing to "work only on things involving Israel," Isabel Maxwell became a pivotal liaison for the entry of Israeli intelligence-linked tech firms into Silicon Valley with the help of Microsoft's two co-founders, Paul Allen and Bill Gates.*

***This is Part II of the series "The Maxwell Family Business: Espionage" and focuses on Isabel Maxwell. [Part I](#) can be found here.***

In 1992, Israel's government created [the Yozma Program](#) at the urging of Chief Scientist of Israel's Ministry of Industry and Trade – Yigal Erlich – as Erlich moved to leave that position. The Yozma Program [aimed to](#) "incentivize venture investment" by creating state-linked venture capital funds, which later spawned a myriad of Israeli hi-tech start ups with merging them with major, foreign technology companies. According to [Erlich's website](#), he had lobbied Israel's government to launch Yozma because he had "identified a market failure and a huge need in Israel to establish for the first time a professionally-managed venture capital industry that will fund the exponential growth of high tech ventures coming out of Israel." He then "convinced the Israeli government to allocate \$100 million for his venture capital vision."

Erlich's vision would also result in the fusion of Israel's hi-tech sector, which he helped to create, [with Israel's intelligence apparatus](#), with numerous Israeli hi-tech conglomerates created with funding from the Yozma program and its successors [doubling as tools of Israeli espionage](#). Notably, not long before Erlich convinced Israel to place \$100 million into this program, Israeli intelligence, thanks largely to the work of infamous spymaster Rafi Eitan, had learned the benefits of placing backdoors for their intelligence services into commercial software through the theft and subversion of the PROMIS software. As noted in [Part I](#) of this series, Israel's bugged version of PROMIS was largely marketed by Robert Maxwell.

After the Yozma program was established, the first venture capital fund it created was called Gemini Israel Ventures and **Israel's government chose** a man named Ed Mlavsky to lead it. Mlavsky, at the time, was the Executive Director of the Israel-U.S. Bi-national Industrial Research and Development Foundation (BIRD), where Erlich was Chairman of the Executive Committee. Mlavsky **states that**, while heading the BIRD foundation, "he was responsible for investments of \$100 million in more than 300 joint projects between U.S. and Israeli high-tech companies." BIRD's connections to Gemini Israel Ventures and the Yozma Program in general are interesting, given that – just a few years prior – it had come under scrutiny for its role in the one of the worst spy cases in U.S. history – the Jonathan Pollard affair.

Jonathan Pollard had been a naval intelligence analyst turned Israeli spy who passed troves of documents regarding U.S. military technology (specifically nuclear technology) as well as clandestine U.S. intelligence operations to Israeli intelligence, specifically to the now defunct spy agency Lekem. **Pollard's handler** was none other than Rafi Eitan, who had engineered Israel's outsized role in the PROMIS software scandal. In **the indictment** of Pollard for espionage, it was noted that Pollard delivered documents to agents of Israel at two locations, one of which was an apartment **owned by Harold Katz**, the then-legal counsel to the BIRD foundation and **an adviser to Israel's military**, which oversaw Lekem. Government officials **told the New York Times** at the time that they believed Katz "has detailed knowledge about the [Pollard] spy ring and could implicate senior Israeli officials."

Journalist Claudia Wright, writing in 1987, **openly speculated** about whether the close ties between Katz and Pollard's handlers meant that BIRD itself had been used to pass funds to Pollard or that BIRD funds themselves, most of which were provided by U.S. taxpayers as opposed to public claims of "joint" funding, had been used to pay Pollard for his "services" to Israel. In her article, she notes that Mlavsky had considerable discretion over the use of those funds while the U.S. official in charge of overseeing the U.S.' interests in BIRD did "not know how investment is regulated" by the foundation. In addition, no U.S. official had access to any audit of the foundation, which were said to be conducted by an Israel-based accounting firm with no U.S. offices. **The New York Times noted** at the time that Katz specifically "may have knowledge of the method used to pay Mr. Pollard, who received tens of thousands of dollars from his Israeli handlers."

After BIRD's Mlavsky was chosen to head Gemini Israel Ventures, **one of the first companies** the firm invested in was called **CommTouch** (now known as Cyren and **majority owned by** Warburg-Pincus). Founded in 1991 by Gideon Mantel, **a former officer** in a "special bomb-squad unit" for the Israel Defense Forces (IDF), alongside Amir Lev and Nahum Sharfman, CommTouch was **initially focused** "on selling, maintaining and servicing stand-alone email client software products for mainframe and personal computers." They **specifically courted** Original Equipment Manufacturers (OEMs), meaning companies whose products are used as components in the products of another company that are then sold to end users. Integration of its products into those of **major software and hardware developers** would allow CommTouch's products to be widely used but unseen. A **Wired article** discussing CommTouch noted as much, stating that CommTouch products are meant "to be as seamless and unnoticeable as the copper is to a phone caller."

However, from their founding through early 1997, CommTouch struggled to stay afloat, unable to turn a profit and unable to secure any notable deals or to expand its company beyond 25 employees. Yet, thanks to Gemini Israel Ventures and "grants" from Israel's government, which were used to finance the research and development of its products, CommTouch managed to stay afloat. As late as 2006, CommTouch noted in official documents that the company "has a history of losses and may never achieve profitability," further noting that they hemorrhaged millions of dollars a year in net losses. Clearly, the decision by Gemini Israel Ventures and Israel's government to continue to pour money into a decidedly unprofitable company for several years was motivated by something other than profits.

At some point in early 1997, CommTouch decided to enter the U.S. market and began seeking out a new President for the firm who had "local clout." "We knew exactly what we were looking for," Gideon Mantel later told Wired of CommTouch's search, "Someone who knows her way around the Valley." They found their woman in the daughter of Israeli "superspy" and PROMIS salesman *par excellence*, Isabel Maxwell.

## An Intriguing Pedigree

Mantel and CommTouch allegedly chose to court Isabel Maxwell for their company's presidency through an unspecified placement company and were "attracted to her expertise and insight in Silicon Valley when it sought her out." The Israeli outlet Globes states that Gideon Mantel "went to Isabel Maxwell as soon as he arrived in Silicon Valley and realized that in order to progress, an e-mail solutions company like CommTouch needed help from someone who knew the rules of the game." Wired offers a similar portrayal, further adding that it was "Gideon Mantel [who] got Isabel Maxwell to take the job."

Mantel told Jewish Weekly that while Maxwell's pedigree, i.e. being Robert Maxwell's daughter, "was very intriguing at the beginning... it wasn't her name that made the decision for us." However, Mantel, in separate reports, compares Isabel to her father on numerous occasions when praising her professional abilities. For example, he told Haaretz that Isabel "is not cowed by anyone, and she never gives in.... She got all that at home. They taught her to go after things and not give up." Similarly, he told Wired that "Like her father, she is a fighter," later adding that "She always charges. She has no fear. Of course, it is from her father. It is in her blood." Given that Robert Maxwell is rarely posthumously remembered (in media anyway) as "a fighter" and "fearless," it goes without saying that Mantel views him with a degree of reverence that he also associates with his daughter Isabel.

Isabel, notably, has herself stated on several occasions that her acceptance of Mantel's offer to be CommTouch's President was also informed by her father's controversial ties to Israel. She told Haaretz that her reasons for accepting the CommTouch presidency was "from the heart" because it was "a chance to continue her father's involvement in Israel," leading her to reject other more lucrative job offers from actually established companies that she had received at the time. She similarly described her reasons for joining CommTouch to Jewish Weekly as "an affair of the heart," adding that "it had to do with my father and my history." The New York

Times quoted her as saying that she had "considered other California-based Internet start-ups [in 1997], but felt a pull toward CommTouch and the Israeli connection."

Isabel has some interesting views on her father, whom she describes as the "ultimate survivor," and his involvement in Israel. She describes him as "highly complex," adding that she doesn't "have rose-coloured glasses about him," but nonetheless says she is "proud" of his controversial legacy and that "if he were alive today that he would be proud of us too." She said something similar to The Guardian in 2002, stating that "I'm sure [my father would] be thrilled to know what I'm doing now,'.... throwing back her head and laughing loudly." In addition, when asked who the most influential person in her life had been, Isabel responded "My father was most influential in my life. He was a very accomplished man and achieved many of his goals during his life. I learned very much from him and have made many of his ways my own."

Isabel told Haaretz around that same time that "When I was with him [her father], I felt power. Like being at the White House... Beyond that, it was a collective power, not my personal power. I was part of this unit," apparently referring to her other siblings, Ghislaine and Christine among them, and suggesting that they were collectively extensions of their father's power.

However, Isabel stands out from her other siblings, and even Ghislaine, in terms of a sense of loyalty to her father and to the state of Israel. According to Elizabeth Maxwell, Isabel's mother, Isabel "is also loyal to the memory of her father, and to what Judaism represents in her life. All my children were brought up as Anglicans, but Isabel was very taken by the Jewish faith and the politics in Israel" compared to her other children, including Ghislaine.

Indeed, Isabel has close relationships to several prominent former Mossad officials and Israeli heads of state, with several of those relationships having been "forged by her father." A now scrubbed report published by the *Jerusalem Post* in 2003, entitled "Isabel Maxwell Fights Back," notes that "Maxwell travels in the same circles as her father, but she is more comfortable behind the camera, not in front of it...she is carrying on her father's legacy in Israel, albeit in her own way." It also noted that, by 2003, Isabel was visiting Israel every month, visiting her father's grave on the Mount of Olives at least once every visit.

Arguably the most interesting part of the now-scrubbed *Jerusalem Post* article is the way in which Isabel views her father's legacy. In discussing the book by Gordon Thomas and Martin Dillon, Robert Maxwell, Israel's Superspy: The Life and Death of a Media Mogul, Isabel – even though she participated in interviews for the book – rejected its premise that her father was a "spy" and went on a private smear campaign against the book and its authors prior to its publication.

Tellingly, she does not object to the book's contents regarding her father's activities on Israel's behalf, including his role in the PROMIS software scandal or Iran-Contra, but merely objects to the use of the word "spy" to describe those activities. "My father was certainly a 'patriot' and helped in back business and political channels between governments," Isabel told the *Jerusalem Post*, "But that did not and does not make him a 'spy.'" It could be said, then, that

Isabel would view her subsequent career "in back business and political channels" via the "same circles as her father" as similarly "patriotic." Yet, for those that consider her father a "spy" for his activities, that would also mean extending the same to Isabel, who self-identifies as Israeli.

Aside from her father's own ties to Israeli intelligence, it is worth noting that Isabel's own history – up to the point she joined CommTouch – involved her working for the Israeli intelligence front company used by her father to sell bugged PROMIS software in the U.S., Information on Demand, and subsequently the search engine Magellan, of which she shared ownership with her sister Christine (whose ties to U.S. intelligence will be explored in Part IV) and her sister Ghislaine, a sexual blackmailer and sex trafficker operating on behalf of U.S. and Israeli intelligence. Isabel's past with both Magellan and Information on Demand were clearly known to CommTouch at the time of Isabel's hiring. It also worth noting that, on several occasions, Isabel credits CommTouch's success with the ties of all of its Israeli employees to the Israeli military and military intelligence, resulting in – per Isabel – a "dogged work ethic" and a "trained mind-set" among its Israeli workforce.

As will be shown in more detail in Part III of this series, upon departing CommTouch, Isabel deepened her already close ties to prominent Israeli politicians and intelligence officials, serving alongside ex-Mossad directors and counting former Israeli chief intelligence officers and heads of state among her "family friends" and business partners. This involvement continued during the period when her son was given a prominent position at the Middle East affairs desk at the State Department when it was headed by Hillary Clinton, who – as many are now aware – has close and controversial ties to Isabel's sister, Ghislaine.

### **Microsoft's Co-founders put CommTouch "On the Map"**

Upon taking the job at the Israeli tech firm, Maxwell's promotion of the company was called "almost messianic" even though her enthusiasm was described as "hard to fathom" given the lackluster performance of the company and its products. However, soon after becoming CommTouch's president, her personal connections to prominent figures in Silicon Valley – forged through her past work at Magellan – paid off and the company announced new partnerships with Sun Microsystems, Cisco, and Nippon Telephone and Telegraph, among others. At CommTouch, Maxwell managed "all sales and marketing activities for CommTouch and co-direct[ed] strategic business development."

Some reports have noted that Maxwell's connections with prominent Silicon Valley figures were the key to her professional success, with Globes noting that "Everyone who has worked closely with Maxwell says that her advantage lies in her ability to help penetrate the market with a new product by opening the right doors," an "advantage" also ascribed to her father while he sold bugged PROMIS software on behalf of Israeli intelligence. Yet, despite Isabel's penchant for "opening the right doors," reports well into Maxwell's career at CommTouch still referred to the firm as "an obscure software developer."

However, out of all the alliances and partnerships Isabel negotiated early on during her time at CommTouch, it was her dealings with Microsoft co-founders Bill Gates and Paul Allen that

would put CommTouch "[on the map](#)." Maxwell had previously negotiated a major deal with Microsoft's Bill Gates earlier during her time as the McKinley Group/Magellan's Executive Vice President, resulting in [Microsoft announcing](#) that the Maxwell-owned Magellan would power the search option for the company's MSN service.

Yet, it appears that Microsoft's co-founders did much more than put CommTouch "on the map," but ended up preventing the collapse of its initial public offering, a fate that had befallen Isabel Maxwell's previous company, the McKinley Group, not long before. Indeed, CommTouch kept pushing back its IPO until a massive investment from firms tied to Microsoft co-founder Paul Allen [was announced in July 1999](#).

The investment from Allen's Vulcan Ventures Inc. and Go2Net Inc resulted in a jump in "interest in the stock sale and in CommTouch, until now an obscure software developer," according to [a Bloomberg report](#), and also inflated their stock price immediately prior to their going public. The money from Allen-linked investment would be specifically used "to expand sales and marketing and build its presence in international markets." Allen's decision to invest in the company seems odd from a financial perspective, given that CommTouch had never turned a profit and had netted over \$4 million in losses just the year before. Yet, thanks to Allen's timely investment and apparent coordination with the company's repeated delays of its IPO, CommTouch was valued at over \$230 million when it went public, as opposed to a \$150 million valuation just weeks [prior to Allen's investment](#).

It's not exactly clear why Paul Allen came to the rescue of CommTouch's IPO and what he expected to gain from his investment. However, it is worth pointing out that Allen [was among the members](#) of an exclusive online community of elites set up in 2004 called "Small World," [whose membership also included](#) Jeffrey Epstein and Epstein-linked figures like Lynn Forester de Rothschild and Naomi Campbell, as well as Petrina Khashoggi, the daughter of Adnan Khashoggi, a former client of Epstein's. Small World's [largest shareholder](#) was Harvey Weinstein, the now-disgraced media mogul who was a business partner of Epstein and was since accused by a number of women of sexual abuse.

Less than three months after Allen's investments in CommTouch in October 1999, the company announced that it had struck [a major deal](#) with Microsoft whereby "Microsoft will utilize the CommTouch Custom Mail™ service to provide private label web-based email solutions for select MSN partners and international markets." In addition, per the agreement, "CommTouch will provide MSN Messenger Service and Microsoft Passport to its customers while building upon its Windows NT expertise by supporting future MSN messaging technologies."

The agreement came less than two years after Microsoft had purchased Hotmail, which – up until the CommTouch/Microsoft agreement – had been one of CommTouch's [main competitors](#) for its web-based e-mail services. In other words, this meant that Microsoft would use CommTouch's "behind the scenes" software as the backbone of its web-based e-mail services, Hotmail included. "We are looking forward to further enhancing our relationship with Microsoft by integrating other state-of-the-art Microsoft products," Gideon Mantel of CommTouch said upon the deal's public announcement.

In December 1999, Microsoft [\*\*then announced\*\*](#) that it had invested \$20 million in the company by purchasing 4.7% of CommTouch stock. The announcement pushed CommTouch stock prices from \$11.63 a share to \$49.13 in just a few hours time. Part of that deal had been finalized by Richard Sorkin, a recently appointed CommTouch director. Sorkin had just become a multimillionaire following the sale of Zip2, Elon Musk's first company where Sorkin had been CEO.

It further appears that Bill Gates, then head of Microsoft, made a personal investment in CommTouch at the behest of Isabel Maxwell. In [\*\*an October 2000 article\*\*](#) published in *The Guardian*, Isabel "jokes about persuading Bill Gates to make a personal investment" in CommTouch sometime during this time frame.

The article then oddly notes the following regarding Isabel Maxwell and Bill Gates:

"In a faux southern belle accent, [Isabel] purrs: 'He's got to spend \$375m a year to keep his tax free status, why not allow me to help him.' She explodes with laughter."

Given that individuals as wealthy as Gates cannot have "tax free status" and that this article was published soon after the creation of the Bill and Melinda Gates Foundation, Isabel's statements suggest that it was the Bill and Melinda Gates Foundation Trust, which manages the foundation's endowment assets, that had made this sizable investment in CommTouch. Furthermore, it is worth highlighting the odd way in which Isabel describes her dealings with Gates, speaking of her interactions with him in a way not found in any of Isabel's numerous other interviews on a wide variety of topics (i.e. "purring", speaking in a fake Southern accent). This odd behavior may have some be related to Isabel's previous interactions with Gates and/or the mysterious relationship between Gates and Epstein, alluded to in a 2001 *Evening Standard* article, and eyewitness testimony regarding Epstein's and Ghislaine Maxwell's comments about Bill Gates in 1995, discussed in [\*\*Part I\*\*](#) of this series.

After 2000, CommTouch's business and clout expanded rapidly, with Maxwell subsequently crediting Bill Gates-led Microsoft and Paul Allen's investment for the company's shifting fortunes. Maxwell, as quoted in the 2002 book [\*\*Fast Alliances\*\*](#), states that Microsoft viewed CommTouch as a key "distribution network," adding that "Microsoft's investment in us put us on the map. It gave us instant credibility, validated our technology and service in the marketplace." By this time, Microsoft's ties to CommTouch had deepened with new partnerships, including [\*\*CommTouch's hosting of Microsoft Exchange\*\*](#).

Though Isabel was able to secure lucrative investments and alliances for CommTouch and see its products integrated into key software and hardware components produced and sold by Microsoft and other tech giants, she was unable to turn the tide of the company's dire financial performance, with CommTouch netting a loss of [\*\*\\$4.4 million\*\*](#) in 1998 and similar losses well into the 2000s, with [\*\*net losses totaling \\$24 million\*\*](#) in the year 2000 (just one year after

the sizable investments from Microsoft, Paul Allen and Bill Gates). The losses continued even after Isabel formally left the company and became President Emeritus in 2001. By 2006, the company was over \$170 million in debt.

## The One-Woman Liaison Between Israel and Silicon Valley

Isabel Maxwell would leave her role at CommTouch in 2001, but remained President Emeritus for years afterward retaining a sizable amount of CommTouch stock then-valued at around \$9.5 million. While Maxwell remained honorary president, CommTouch added Yair Shamir, son of former Israeli Prime Minister and friend of Robert Maxwell, Yitzhak Shamir, to its board. Yair Shamir, Chairman of the Israeli government owned corporation, IAI (Israeli Aerospace Industries) when he joined CommTouch's board, had previously managed Scitex when it was owned by Robert Maxwell. After nearly collapsing due to its long-standing debt burden a few years later, CommTouch was rebranded as Cyren and, today, runs in the background of Microsoft, Google, Intel, McAfee and Dell products, among many others.

Haaretz wrote in 2002 that Isabel, as CommTouch was in dire financial straits, had decided to "work only on things involving Israel. Even the failure of CommTouch, the Israeli Internet company she headed, hasn't deterred her: She still believes in the medium, and she still believes in Israel." Maxwell would subsequently create "a unique niche for herself in high tech as a liaison between Israeli companies in the initial development stages and private angel investors in the US" as a private consultant, subsequently creating Maxwell Communications Network in 2006. That company offered "cross-border communications, funding and market research to leading venture capitalists and hi-tech companies in the US and Israel." However, she notes that her "specialty" was in "helping Israeli high-tech companies."

During this period (2001-2006), Isabel would also head an Israeli tech company that "protects children online," at a time when her sister – Ghislaine Maxwell – was actively abusing and trafficking children as part of an intelligence-linked operation alongside Jeffrey Epstein. Isabel took the job at iCognito (now Pure Sight) "because it [the company] is in Israel, and because of its technology." She also joined the board of the Israeli company Backweb alongside Gil Shwed, a famous alumnus of Unit 8200 (often likened to Israel's NSA equivalent) and co-founder of Israeli tech giant Check Point, which is a long-time partner of CommTouch.

Isabel's close involvement with former Israeli heads of state and heads of intelligence would only deepen after leaving CommTouch, particularly with former Israeli Prime Minister Shimon Peres. The Jerusalem Post described the Peres-Isabel relationship as "close" and "forged by her father." Isabel was also in close contact with former Mossad deputy director David Kimche (until his death in 2010) and former head of Israeli military intelligence and Prime Minister Ehud Barak. Notably, Ehud Barak, in addition in being a major player in the Israeli-U.S. hi-tech scene, was also closely associated with Jeffrey Epstein and Isabel's sister Ghislaine, having recruited Epstein for Israeli military intelligence and overseeing the Lekem agency at the time of the PROMIS scandal (including Robert Maxwell's role) and the Pollard Affair as well as Israel's involvement Iran-Contra. Barak was also a frequent visitor to Epstein's

island and slept over in New York apartments that were owned by Epstein's brother and which housed many of Epstein's underage "sex slaves."

Also notable is the fact that Ghislaine Maxwell and Jeffrey Epstein would themselves become involved in Isabel's world, i.e. the growing nexus between Silicon Valley and Israel, **courting and allegedly blackmailing** major Silicon Valley executives while also investing in Israeli intelligence-connected start-ups. During this time, Isabel was a major player in venture capital networks and other organizations aiming to further develop ties between Israeli intelligence-linked start-ups and U.S. tech companies, which is now part of **an openly admitted Israeli intelligence operation** (in which Microsoft plays a major role). The ties of Isabel, Ghislaine and Epstein to this hi-tech world of Israeli espionage, as well as Isabel having inspired what would later become Ghislaine's TerraMar project and her ties to powerful groups like the World Economic Forum and even the Hillary Clinton-led State Department, will be explored in the next installment of this series.

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